

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2372 - SB 2358

February 11, 2016

SUMMARY OF BILL: Expands the prohibitions under the Tennessee Disability Act (TDA) to include denying employment opportunities to a job applicant or employee who is an otherwise qualified individual with a disability, if such denial is based on the need of such covered entity (the state, or any political or civil subdivision thereof, and persons employing eight or more persons within the state) to make reasonable accommodation to the physical or mental impairments of the employee or applicant.

Reasonable accommodations are not required if the employer can demonstrate that the accommodation would impose an undue hardship on the operation of its business or the individual poses a direct threat to the health or safety of other individuals in the workplace that cannot be eliminated by reasonable accommodation. A violation of the proposed legislation is a Class C misdemeanor.

ESTIMATED FISCAL IMPACT:

Increase State Revenue - \$36,400/Human Rights Commission

Assumptions:

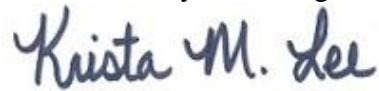
- Pursuant to Tenn. Code Ann. § 8-50-103, the Tennessee Disability Act (TDA) currently prohibits discrimination based on a disability in hiring, termination, or other terms of employment.
- Reasonable accommodations are required only for qualified individuals defined as an individual who, with or without reasonable accommodation, can perform the essential functions of the employment position that such individual holds or desires.
- Currently, the Tennessee Human Rights Commission (THRC) receives complaints alleging a denial of reasonable accommodations and transfers such complaints to the U.S. Equal Employment Opportunity Commission (EEOC) since the current TDA does not include protections for reasonable accommodations. These complaints are investigated by the EEOC under the Americans with Disabilities Act (ADA).
- Under the proposed legislation, the THRC will begin processing reasonable accommodations complaints rather than transferring such complaints to the EEOC for processing. Any additional costs to process will not be significant and can be accommodated within existing resources.

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- For the past two fiscal years, the THRC transferred an average of 52 cases to the EEOC for reasonable accommodations complaints. Under the proposed legislation, the THRC will receive approximately \$700 in federal funding from the EEOC for each case processed resulting in a recurring increase in state revenue of \$36,400 (52 cases per year x \$700 per case).
- A violation of the TDA is currently punishable as a Class C misdemeanor.
- There will not be a sufficient number of Class C misdemeanor prosecutions for state or local government to experience any significant increase in revenue or expenditures.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/lsc